

CHAPTER 2

ARTICLE 20 — INMATE WELFARE FUND

Revised June 4, 2002

23010.1 Policy

The Director administers the Inmate Welfare Fund (IWF) as a trust for the benefit and welfare of all inmates under the jurisdiction of the Department. The IWF is used to provide the following:

- Leisure time activities for inmates.
- Essential items for purchase by inmates.
- Opportunities and training for inmates to be creative and to profit from their handicraft products.

23010.2 Purpose

The purpose of this article is to provide the guidelines for the correct uses of the IWF.

23010.3 Responsibility

Warden

Each Warden administers the IWF programs at their respective institution/facility.

Inmate Welfare Fund Officer

The IWF Officer provides overall planning and guidance regarding IWF operations.

23010.4 Budget

Each institution/facility shall budget IWF expenditures so that expenditures shall not exceed budget allocations and revenues from IWF activities unless approved by the Central Office IWF Officer. An appropriate exception would be if a major IWF project has been authorized, i.e., replacement equipment, new equipment for new institutions/facilities, and startup inventories.

There may be unanticipated deficiencies due to situations which occur after approval of the institution's/facility's IWF budget. These unanticipated deficiencies shall be carried into the subsequent fiscal year by the institution/facility.

Any IWF expenditures shall be consistent with the provisions of this article.

Inmate Advisory Committee

The institution/facility Inmate Advisory Committee, or other group(s) representing the inmate body, shall submit in writing their view of proposed expenditures, particularly in the area of inmate benefit expenditures, during the preparation of the IWF budget.

23010.5 Revenue

The following areas are the major sources of IWF revenue:

- Canteens at each institution/facility (DOM Chapter 5, Article 50).
- Handicraft programs at some institutions/facilities (DOM Chapter 5, Article 34).

- Photo projects at some institutions/facilities.
- Interest on investment of idle inmate funds and IWF money..
- Donations.

23010.6 Expenditures

Purchases or services may be charged to the IWF if funds are available and the item is consistent with the policy for IWF use.

23010.6.1 Authorized Expenditures

The following items are examples of appropriate expenditures from the IWF:

Inmate Benefits

- Purchase of, repair to, and postage on fiction books for inmate libraries.
- Newspaper and magazine subscriptions for library and entertainment purposes.
- Rental of movie films and video tapes (including postage and/or freight) for institutions/facilities and permanent camps, and basic cable service when regular television reception is unavailable.
- Paints and materials for signs and show cards.
- Miscellaneous expenses for prizes and awards, general entertainment, and New Year's entertainment.
- Minor construction, i.e., a few shelves, camp or yard canteen shacks, etc., and repair projects for the benefit or welfare of inmates. Procedures outlined under Chapter 2, Article 4 shall be followed, and any construction to be paid out of the IWF shall be submitted to the Director for approval.
- Institution inmate visiting centers expenditures.

Canteen

- Salaries and benefits for the institution/facility canteen manager and other canteen positions.
- Merchandise purchases for resale to inmates.
- Purchase of canteen materials, i.e., wrapping paper, paper bags, twine, paper napkins, and miscellaneous operating expenses such as printer/fax supplies, stationary, and repairs to counters and shelves.
- Purchase and repair of equipment used in the canteen such as sale scanners and terminals, typewriters, adding machines, or any equipment necessary for the operation of the canteen.
- Temporary help.

Handicraft

- Materials purchased for resale to the inmates for their projects.
- Miscellaneous operating expenses in production of articles for sale, i.e., glue, brushes, rental of equipment, and repair of movable equipment. Purchase of equipment necessary for the production and sale of handicraft items does not include items used in occupational therapy or in teaching of arts and crafts.

Photo Project

- Rental, purchase, and repair of cameras.
- Miscellaneous items such as backdrops or lights.

- Photographic film.

Administration

- Accounting personnel working on IWF bookkeeping.
- Miscellaneous office expenses and equipment for IWF accounting positions.
- Workers' Compensation Insurance premium payments on all IWF positions.

Staff Benefits

- Staff benefits, including employer contributions for retirement, health and welfare insurance, and unemployment compensation for IWF positions.

Inmate Pay

- Pay for inmates employed in IWF activities such as canteen, handicraft, photo projects, and motion picture projectionists.

23010.6.2 Unauthorized Expenditures

The following items are examples of expenditures that shall not be financed from the IWF:

- Replacement of inmate canteen cards or canteen draw amounts.
- Canteen additions, alterations, and equipment installed as part of the building unless approved by the Director.
- Repairs to the canteen building, i.e., windows, window shades, replacement of lighting fixtures, repairs to floors, heaters, or any equipment installed as part of the building.
- Repairs to a fixed portion of the handicraft shop, room, building, or any equipment installed as part of the building.
- Utility payments.
- Shop equipment, tools, etc., used in occupational therapy, for institutional special projects, or in teaching arts and crafts.
- Musical instruments.
- Repairs to and supplies for musical instruments.
- Sheet music.
- Purchase of nonfiction, text, or reference books and pamphlets.
- Repairs of nonfiction, text, and reference books and pamphlets.
- Postage on nonfiction, text, and reference books for inmate libraries.
- Correspondence courses, including departmental self-study courses.
- Miscellaneous expenses, such as printing, pamphlets, and other items used in organized educational courses.
- Supplies and equipment for the production or distribution of institution/facility publications.
- Subscriptions for trade magazines.
- Original complement and replacement of motion picture, radio and television equipment.
- Repairs to motion picture equipment.
- Television and radio alteration and repairs, purchase of tubes, headphones, parts, phonograph records, and recording tapes.

- Athletic clothing, band uniforms, and athletic supplies, expenses, and equipment.
- Housing, furniture, dishes, linen, television sets, etc., for family visiting.
- Overtime for employees supervising special inmate activities, such as athletic events, stage shows, self-help group, etc. (Such overtime shall be paid from the General Fund.)

23010.7 Procurement

Every effort shall be made to purchase IWF merchandise and equipment at the lowest possible price consistent with quality requirements and accepted purchasing practices.

23010.7.1 Bid Requirements

When a purchase order is to exceed \$1,000, the formal bid procedure based on written specifications shall be used unless there are valid reasons for not going to bid.

For purchases between \$500 and \$1,000, price quotations shall be obtained in writing from all interested vendors to obtain the best prices. The bid procedure may be used when appropriate.

For purchases less than \$500 and items not available under State contract or not directly purchased from the manufacturer, informal methods for obtaining prices, such as telephone quotations and vendor price lists, may be used as a basis for issuing the purchase order if there is reasonable assurance that the most advantageous price is available.

Documentation of bid solicitations and related correspondence shall be maintained in the procurement files.

Negotiations shall be attempted in all purchases to obtain the best price.

23010.7.2 Operating Expense Items

Whenever possible, purchase orders shall be placed directly with the manufacturer rather than local vendors. Canteen purchasing shall be geared to take advantage of the many promotional offers and special discounts available. If minimum case requirements exceed one institution's/facility's needs, arrangements can be made with other institutions/facilities to split orders with the purchase orders and invoices processed by Headquarters to allocate expenditures to the participating institutions/facilities.

Institutions/facilities are encouraged to solicit sample or promotional merchandise that can be given to the inmate body.

Existing State contracts for items that are used to operate the institutions/facilities shall be used for purchasing IWF items when the prices are lower than from other resources.

Products from PIA may be offered for sale to inmates through the canteens on the same basis as commodities purchased from commercial sources.

23010.7.3 Equipment

Institutions/facilities taking advantage of State contract prices when purchasing IWF equipment shall submit the purchase estimate to the Office of Procurement, DGS, if this is required by the terms of the Office of Procurement contract with these vendors.

23010.7.4 Consolidation of Orders by Headquarters

To take advantage of quantity purchasing, the Central Office IWF Officer shall initiate action for consolidated contracts with vendors for the purchasing of certain merchandise and equipment items by institutions/facilities.

23010.7.5 Unbudgeted Equipment and Construction Projects

Purchase orders for equipment and for construction projects not previously budgeted shall be submitted with justifications to the IWF Officer for approval.

23010.8 Review of Financial Condition

The DOF conducts a biennial audit of the IWF that includes an audit report summarizing expenditures by major categories.

At least one copy of the audit report shall be posted at the inmate canteen, and at least one copy shall be made available in the inmate law library for inmate review.

At the end of the intervening fiscal year, the institution/facility shall post at the inmate canteen at least one copy of the institution's/facility's statement of operations, and one copy shall also be made available in the inmate law library for inmate review.

Institutions/facilities shall post a copy of the latest Monthly Calstars Expenditure Report and Statement of Operations at each inmate canteen every quarter. A copy of these statements shall also be placed in the inmate law library.

23010.9 Services to Other Organizations

A 10 percent service charge, which is remitted to the IWF, shall be added to monthly inmate payrolls when billing other organizations for inmate services not performed for facility convenience. When a blood sale is authorized (California Code of Regulations (CCR), Title 15, Section 3359), the institution may impose an additional charge to the purchaser to retrieve the cost of department resources used in drawing the blood. The proceeds of such charges shall be deposited in the IWF.

Inmate payrolls shall not be processed through the IWF.

23010.10 Service Charges for Handicraft Items

To defray handling costs on the purchase of materials used in the manufacture of handicraft articles and to balance possible losses, 10 percent shall be added to the purchase price only, exclusive of costs such as State tax, freight, and handling, and charged to the inmate for such articles. No charge shall be made on canceled orders. This service charge shall be deposited in the IWF.

Handicraft Items for Sale

A 10 percent administrative surcharge shall be added to the price established by the inmate on all articles placed on sale including paintings. However, one percent will be refunded to the inmate for the sales tax paid on the raw materials used in the handicraft articles sold.

Paintings

"Paintings" shall include all kinds of pictures, drawings, sketches, etchings, and any frames that are attached.

Repair of Handicraft Items

A 10 percent administrative surcharge shall be added to the cost established by the inmate for the repair of handicraft-type articles for State employees or the public through the

handicraft program. This surcharge shall be deposited in the IWF.

23010.11 Service Charge on Inmate Donations

Ten percent shall be deducted from inmate donations for deposit in the IWF to offset processing costs. The 10 percent charge will be made in accordance with DOM Chapter 5, Article 37.

23010.12 Property Loss, Cash Shortages and Uncollectable Checks

The IWF shall not be used to reimburse inmates for the theft or loss of personal property including, but not limited to, canteen cards, canteen draw balances, ducats, trust funds, handicraft items, or checks received for handicraft sales that become uncollectable. Inmates shall submit Board of Control claims for such losses in accordance with DOM Chapter 5, Article 53.

23010.13 Distribution of Contraband Currency

In accordance with DOM Chapter 5, Article 20, Disposition of Currency, all contraband currency confiscated from inmates shall be deposited in the IWF as miscellaneous income.

23010.13.1 Contaminated Currency

After contaminated currency is confiscated, it shall be placed in a sealed plastic container clearly marked "CONTAMINATED." The container shall be turned in to the Associate Warden, Business Services (AWBS) or a designated Business Services representative for mailing to the Department of Treasury for destruction. The AWBS, or representative, shall enclose a letter instructing the Department of Treasury to deduct any processing fee from the contaminated money amount, and issue a check payable to the IWF for the balance, if any, of the contaminated money.

The letter and contaminated money shall be packaged and mailed to:

United States Government

Department of Treasury

Bureau of Engraving and Printing O.C.S. Room 344

Post Office Box 37048

Washington, DC 20013

Upon receipt of reimbursement, the AWBS, or representative, shall deposit the check into the IWF.

23010.14 Revisions

The Chief Financial Officer, Financial Services Division, or designee shall be responsible for ensuring that the contents of this section are kept current and accurate.

23010.15 References

PC §§ 2813, 5005, 5006, and 5007.

CCR (15) (3) §§ 3104, 3359.

DOM §§ Chapter 2, Article 4, and Chapter 5, Articles 20, 34, 37, 50 and 53.